



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1025/9  
RAC:sac/kjf/jld:rs

DOA:.....Waterman, BB0349 - Smoking surcharge for State Employee  
Health Insurance Coverage

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

State employees currently receive health care coverage under plans offered by the Group Insurance Board. This bill provides that, beginning in 2014, the Group Insurance Board shall impose a premium surcharge for health care coverage for state employees and retired state employees who use tobacco products and may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products. During 2014 and 2015, the surcharge is \$50 a month. The bill further provides that the premium surcharges paid by annuitants who use tobacco products are be used to reduce future health care coverage premiums for annuitants and to reimburse DETF for costs incurred by DETF in providing health care coverage to annuitants.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 40.03 (6) (cm) of the statutes is created to read:

40.03 (6) (cm) 1. Notwithstanding ss. 111.321, 111.322, and 111.35, beginning in 2014, the group insurance board shall impose a premium surcharge for health care coverage under ss. 40.51 (6) and 40.515 for eligible employees who use tobacco products and may terminate the health care coverage of any eligible employee who falsely claims that he or she does not use tobacco products.

2. The premium surcharges paid by annuitants who use tobacco products shall be used to reduce future health care coverage premiums for annuitants and to reimburse the department for costs incurred by the department in providing health care coverage to annuitants. Annually, the secretary of administration shall determine the surcharge amounts that are to be used to reimburse the department for costs incurred by the department in providing health care coverage to annuitants and shall transfer that amount to the appropriation account under s. 20.515 (1) (w).

**SECTION 2.** 40.05 (4) (ah) 5. of the statutes is created to read:

40.05 (4) (ah) 5. For purposes of establishing the amount that employees are required to pay for health insurance premiums, the director shall consider the amount of premium surcharges that employees are required to pay under s. 40.03 (6) (cm) 1.

**SECTION 9112. Nonstatutory provisions; Employee Trust Funds.**

(1) SURCHARGE FOR HEALTH INSURANCE FOR USE OF TOBACCO PRODUCTS. During 2014 and 2015, the group insurance board, under section 40.03 (6) (cm) of the statutes, as created by this act, shall impose a premium surcharge of \$50 a month for health care coverage under sections 40.51 (6) and 40.515 of the statutes, as affected by this act, for eligible employees, as defined in section 40.02 (25) of the statutes, who use tobacco products.

(END)